

The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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WASHINGTON, D. C.

SEPTEMBER 13, 1937

Democrats Faced by Widespread Split-up

Differences Between New Dealers and Conservative Wing of Party Grow Serious

PRESIDENT TO STATE VIEWS

Will Make Transcontinental Tour to Strengthen His Support Among Voters of Nation

Next week President Roosevelt will be on his way across the nation, outlining his policies, determining at first hand what political sentiment is in different parts of the country, and trying to get the voters so strongly behind him that Congress will be forced to carry out his program at the next session. At least the trip is now planned, and it will be made unless something happens to force the President to remain at his post; certainly a possibility when a war is in progress in any part of the world. At any moment our government might become so involved in the Chinese-Japanese troubles as to prevent the President's leaving Washington. But, barring such a development, he will soon be on tour.

That, of course, is an unusual thing for him to do. This is an "off year" politically. No elections of nationwide importance are being held. Why should the President go out campaigning? The answer is that his leadership has been challenged by a portion of his own party. The Democratic party is threatened with a definite split. A number of leaders in Congress broke away at the last session, and important features of the President's legislative program were defeated. This creates an unusual situation.

The political future has seldom been so uncertain. No one knows how serious the break in the Democratic party may turn out to be. We do know that the two factions are battling for control. Both are looking forward to 1940 with the hope of naming the presidential candidate. One of the factions will be defeated. Will it bolt the party ticket and try to set up a new party? And what will the Republicans do? Will they try to join with the anti-New Deal Democrats, perhaps taking on a new name? Or will they try to return to power under the old name? It is in a time when all these doubts and uncertainties are in people's minds that the President starts off across the country to strengthen his support.

Historical Background

The political contests which we are witnessing today differ from those with which the American public has been familiar during the last generation, in that they are being fought out over issues which are really important. Most of the campaigns which the Democrats and Republicans have carried on since the Civil War have been merely sham battles. Issues from time to time have been set before the public, to be sure, but in most contests these issues have had little meaning. The Republicans and the Democrats have usually agreed as to the general direction governmental policies should take. Campaign orators have lashed themselves into a fury over such questions as whether the tariff rate should be a little higher or a little lower, or whether the government should be a little more or less vigorous in the prosecution of

(Concluded on page 8)



EWING GALLOWAY

INDEPENDENCE HALL, PHILADELPHIA — CRADLE OF THE AMERICAN CONSTITUTION

Still a Rising Sun

On the seventeenth day of September 1787, the convention which for months had wrestled with the task of writing a federal constitution for the new American republic came together for the last time, "and the Constitution, as we now know it," says the historian, McMaster, "was laid upon the table for signature. For some minutes nothing was said. Then Franklin, about to close the last national service of his life, got up, with a paper in his hand, as if to speak. But his voice and his body were far too weak, and he handed the paper to Wilson, who read it." The old philosopher-statesman appealed for signatures. After several members had hesitated, George Washington signed. The others followed, then Franklin turned to a painting of a rising sun which hung back of the President's chair. He said: "I have, often and often, in the course of the session, and the vicissitude of my hopes and fears as to its issue, looked behind the President without being able to tell whether it was rising or setting. But now, at length, I have the happiness to know that it is a rising and not a setting sun."

It was a hundred and fifty years ago this week that the delegates at Philadelphia looked hopefully to the rising sun, and the years have not falsified their hopes. Under the Constitution which they wrote the nation has grown into a great industrial empire. Rural settlements have given place to great cities. The isolated communities of that day have grown into a mighty world power.

Through all these years the Constitution has stood. Its flexibility has been its strength. By interpretation, usage, and amendment it has been changed to meet the needs of changing times. Controversies over its interpretation have at times stirred popular emotion, but never has the Constitution itself been challenged.

During the century and a half of its existence, it has commanded the respect of the American people. Whether they have advocated change or not, they have accepted and supported the framework of government which was laid fearfully but hopefully on the table for signature in that little hall in Philadelphia which is enshrined in American hearts. As we look today at that great changing, evolving document which is our Constitution, we see it against the background of a sun which, through the years and the centuries, is rising still.

U. S. Weighs Stake And Policy in China

Trade and Investments Small Compared to Those in Other Foreign Nations

PAST POLICIES QUESTIONED

Government May Face Choice Between War and Abandonment of Open Door in China

The undeclared war between China and Japan which has been raging vehemently since the early part of July has raised serious issues and problems for the United States and the other major powers of the world. Not only are their citizens who reside in the center of hostilities in danger of their lives, but foreign property in Shanghai and elsewhere in China is threatened with destruction. Moreover, there are treaties regulating the relations of the nations of the world with China, and Japan, by her latest invasion of the Asiatic mainland, has violated these treaties. It is these international aspects of the Far Eastern war that have created great uneasiness in the capitals of the world, for lest extreme care is exercised the conflict may spread to a major catastrophe.

The American Stake

What, precisely, is the American stake in China? For nearly a century, the United States has held great hopes for its trade with the Orient. The famous clipper ships, of pre-Civil War days, returned from Chinese ports laden with much-sought-after oriental products, such as silks and spices. Many a New England fortune was made from this lucrative trade. During the years following the Civil War, American energies were centered on building new industries and opening the great undeveloped sections of the West. The trade with the Orient dropped off.

The United States again turned to the Far East early in the present century. The hundreds of millions of Orientals were regarded as potential customers for the products of American farm and factory. The Far East was also regarded as a fertile field for the investment of American dollars. Like the rest of the western nations, the United States went out after its share of the trade. While the immediate prospects may not have seemed bright, great hope was held for the future, and Americans laid the groundwork for a future expansion of trade across the Pacific.

For the most part, however, a flourishing trade with the Far East has been a hope rather than a reality. Compared to our trade with other foreign nations, our commerce with China has never been great. Nor have American investments been extensive. Our trade with the entire Far East is only half as large as our trade with Europe, although the population of the latter is much smaller. And every year we sell more goods to the 11 million inhabitants of Canada than to the 700 million inhabitants of the Far East. In so far as China itself is concerned, our trade figures are even less impressive. In 1936, for example, we sold \$47 million worth of goods to the Chinese and bought from them \$74 million. Our trade with the Japanese during the same year was considerably greater, as we sold them \$204 million and bought \$172 million. Since our total sales of goods in foreign commerce amounted in 1936 to \$2,700 million, it can be seen that China's share of



WHEN THE NEIGHBORS FIGHT

MANNING IN ARIZONA REPUBLIC

America's total exports was infinitesimal.

Trade is not, of course, the only American economic interest in the Far East. Many American investors have placed funds in various Chinese enterprises. Some of these investments have been made directly by Americans residing in Shanghai and elsewhere in China; others by Americans living in this country. It is estimated that the total American investment in China is about \$200 million. All in all there are some 75 different investments; six in various oil companies, 15 in manufacturing concerns, 25 in selling enterprises of one kind or another; several in public utility concerns. The utilities of the International Settlement of Shanghai, which has been the scene of such bitter warfare, are largely dominated by American capital. The American and Foreign Power Company owns the controlling interest in the Shanghai Power Company, which has a 40-year monopoly to furnish electricity to the International Settlement. In 1930, the American Telephone and Telegraph Corporation, a billion-dollar American corporation, purchased the Shanghai Mutual Telephone Company and thus gained control of another vital public utility.

Other Investments

Americans are also heavily invested in the aviation industry of China. Airplane factories are located in a number of Chinese cities. Pan-American Airways owns nearly half the stock in the China National Aviation Corporation, the rest being in the hands of the government. This is the leading air line of the country and plays an important role in the air transportation system of China. Many American automobiles and trucks are sold in China by American-owned companies, and they are repaired by garages owned by Americans.

Important as these investments are, they are relatively insignificant in comparison with American investments elsewhere in the world. Americans have invested nearly \$400 million in Japan and a billion and a half in Canada. The total American investments abroad amount to some \$15 billion.

Nor do the American investments compare favorably with those of other foreign nations. In 1930, Japan is estimated to have had investments amounting to a billion and a half dollars. Since then the figure has probably doubled. We spoke of the nature of these investments in our article last week. Next to the Japanese come the British with approximately \$1,250 million invested in Chinese enterprises of one kind or another. More than a third of this sum represents business investments in and around Shanghai. The center of British investments is, however, Hong Kong, and throughout the country one will find British railroads, British banks, British mines. The French have considerable investments in China, while the Danes and Norwegians and other foreigners have a much smaller stake.

From this rather sketchy picture of the foreign stake in China—in trade and investments—two rather important facts emerge. The role played by China in American economic life is less vital than is frequently assumed. In the future China may or may not fulfil the dreams of those

who see great opportunities for trade and industrial expansion. But as yet they are merely dreams. Secondly, the American stake in China is of less consequence than that of other nations, particularly Japan and Great Britain. The question the United States government will have to decide is whether this stake is sufficiently vital to the welfare of the American people to warrant the adoption of an aggressive policy toward Japan, even if that policy might lead to war.

In order to answer that central question, one must examine the history of American relations with Japan and look to the alternate policies which may be adopted by our government. The Roosevelt administration has given no indication of the course it will pursue in the present crisis, but has proceeded warily, carefully watching day-by-day developments.

"Open-Door" Policy

American relations with the Far East are based upon the famous "open-door" policy, which was enunciated by John Hay at the turn of the last century. This policy was adopted at a time when it appeared that all China would fall prey to foreign encroachment. The major powers of the world were little by little setting off for themselves sections of Chinese territory and keeping other foreigners out of those preserves. Japan, England, France, Germany, Russia, each acquired concessions and sought to exclude other powers from its particular sphere of influence.

Had not something been done, China would probably have been partitioned

became apparent that Japan had further designs upon China, for in 1915 she presented her 21 demands which, if accepted, would have largely destroyed China's independence and given Japan a stronger foothold. Japan withdrew her demands only when the other nations protested against her action.

In 1922, the principles of the "open-door" policy were incorporated into a treaty, the Nine Power Pact, which was signed at Washington. The nine signatories agreed, formally, to grant equal opportunities to all nations in the trade of China and to do nothing which would impair the political or territorial integrity of China; that is, to limit her control over any part of the country.

For nearly a decade, peaceful relations obtained between the Japanese and the western nations. Then, suddenly in the fall of 1931, Japanese armies marched into Manchuria, took over the capital, and finally brought the whole province under the domination of Japan. The United States government protested against this act of aggression, calling Japan's attention to her treaty obligations under the Nine Power Pact. The League of Nations was called into a number of special sessions to consider the crisis. Despite the protests, the Japanese went on undeterred and even extended the scope of their military activities.

The Stimson Doctrine

The American position at the time of the crisis was clearly stated by Secretary Stimson when he enunciated the doctrine which

The Stimson Doctrine was virtually a continuation of the policy which the United States has always followed in its dealings with the Far East. It was based upon the "open-door" policy and was an attempt to bring Japan to terms. That it has failed is evidenced by the fact that not only has Japan not relinquished her hold on Manchuria, but she has pushed her drive even further and has even indicated that she will not stop until she has made all China subject to her dictates.

Possible Courses

What, in the light of these developments, should be the American position in the new crisis? Should it insist upon respect for the open door and treaty obligations on the part of Japan? If so, should it go so far as to use force to make Japan yield to her demands? Or, should the American government abandon its historic policy, let Japan have a free hand in China, and salvage what she can from the Chinese trade?

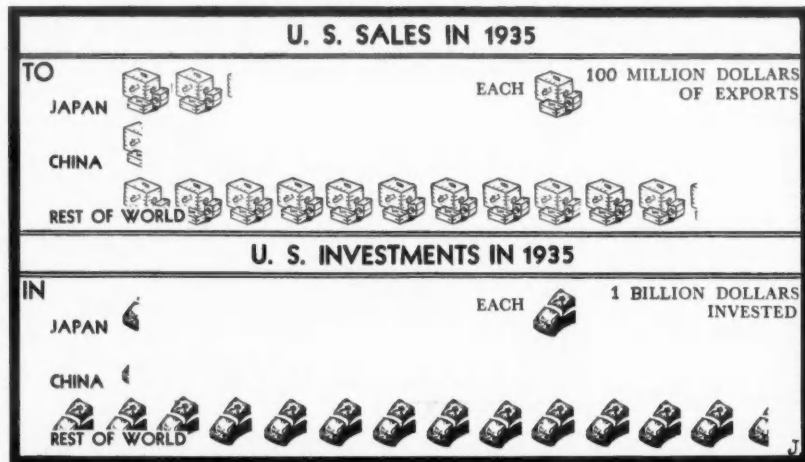
These are the alternatives facing the United States at the present time. There is little reason to believe that Japan would be any more willing now than she was in 1931 to halt her drive merely because of protests from foreign powers. The sole effect of the Stimson Doctrine was to antagonize Japan and create strained relations between her and the United States. It seems likely that the Stimson Doctrine, to be effective, will have to be backed by force; in which case war between this country and Japan would be a possibility, if not a likelihood.

Those who have followed the latest developments in the Far East most closely are of the opinion that the only way Japan will be deterred is for the United States and Britain to show her that they mean business and will go to war, if necessary, to protect their interests. Thus we find Sir Arthur Willert writing in the *New York Times*: "The British government realizes that it is up against a situation in the Far East in which stark force is the ultimate arbiter and that, as in the case of Manchuria five years ago, the only thing that will give the Japanese pause would be the knowledge that the great powers, and especially the United States and Great Britain, had decided to restrain them by arms if necessary."

The American people must decide whether their stake in China is sufficiently vital to run the risk of a war with Japan if they are to assume a more aggressive attitude toward the Japanese. Otherwise the alternative is to allow Japan to go ahead in China as she pleases; in other words to permit her to violate the open door and to scrap treaty obligations. Judging from past experience, any other policy would prove entirely futile in the face of Japan's grim determination to push her campaign in Asia to successful completion.

For the moment, the Roosevelt administration is biding its time, is following a course of watchful waiting. It has not invoked the neutrality law because China would suffer more than Japan, since it would be more completely shut off from supplies which it needs. The law forbids Americans to sell munitions and to make loans to warring nations. It empowers the

(Concluded on page 7, column 2)

DRAWN BY JOHNSON
AMERICA'S STAKE IN THE FAR EAST AND IN OTHER COUNTRIES

among the powers. It was the American government which assumed the leadership in calling a halt to this process. By one of the great diplomatic strokes of our history, Mr. Hay obtained a promise from the powers to stop their encroachments and to grant equal rights and privileges to all nations in their dealings with China. At the same time, the United States requested the other powers to respect China's right to govern all her territory and to take no action which would bring further parts of China under the political control of foreign nations.

The "open-door" policy did prevent, for the time being at least, the dismemberment of China. But during the World War it

has come to bear his name. The Stimson Doctrine was a forthright statement of the American position with respect to Japan's conquest of Manchuria. Under its terms, the United States government made it clear that it would not respect or recognize any territorial changes effected through the violation of treaties. Since Japan has changed the political status of Manchuria by violating the Nine Power Pact, the United States would not recognize that change. In the eyes of the United States Manchoukuo does not exist as an independent nation, but it is still a part of China. We have sent no diplomatic representative there, and we do not recognize Japan's claims in that region.

AROUND THE WORLD

Japan: The undeclared war in China has made it necessary for Japan to place business and industry under strict governmental control. The war is putting an enormous strain on Japan's economic structure. Already the Diet, or legislative body, has voted "extraordinary" appropriations of two and one-half billion yen (about \$725,000,000) to provide for the increased army and navy expenditures. Also, the Diet is considering a bill which would give the government power to restrict industries from expanding unless they were necessary to win the war.

There are some writers who say that the people of Japan will rebel against the government if living conditions get any worse. They point to the low standard of living, to the increased cost of food, clothing, and shelter, to the high taxes. While it is true that the masses of people in Japan have not been helped very much by the increase in industry and the conquest in Manchuria, it is not likely that they will rebel. Instead, they will probably become more patriotic as the war continues—wars usually tend to unify nations. The condition of the farmers and laborers does much to explain the attack on China, however. The rulers and the militarists realize that they must give the masses of the people more food, better shelter, more clothing, and lower taxes. To do this, they say that Japan must have the vast natural resources of China, and they are going after them with the most direct method, force.

Shanghai: When Americans, British, and other western peoples began going to China for the purpose of establishing businesses for themselves, they found the Chinese unfriendly and unwilling to admit them into China. The Chinese had to be forced to open up their ports to trade with the world. Even then, foreigners were only permitted to come to certain ports, and for living quarters they had to go to special settlements on the outskirts of the cities—frequently in swamp areas or other undesirable land.

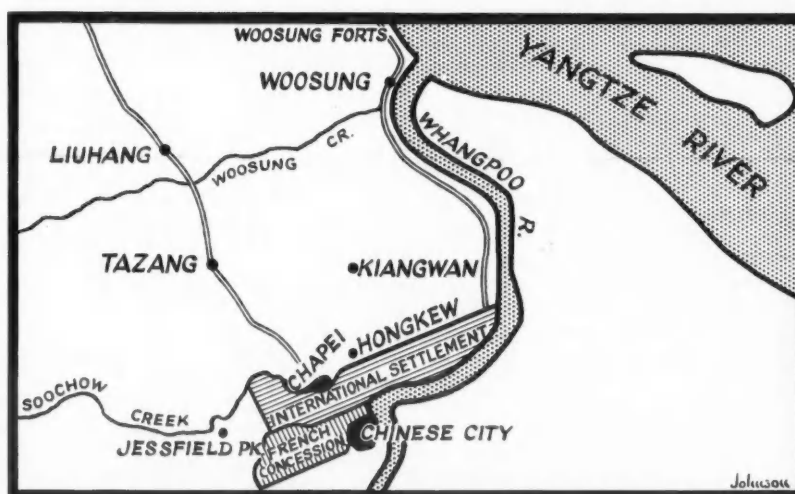
The foreigners were energetic, however, and have since built up in these settlements modern and progressive cities. Most famous of these is in Shanghai, the great commercial center of China around which war is now raging. As the map on this page shows, Shanghai is divided into three sections—the International Settlement, the French Concession, and Greater Shanghai. Foreigners live in the International Settlement, and the French Concession, together with many Chinese who prefer to live under the laws and protection of foreign nations. Foreign nations have their own troops and law courts in China to look out for their own citizens in the special settlements. Greater Shanghai is purely a Chinese city

administered by the Chinese authorities.

The International Settlement is governed by a council elected by the taxpayers of the area. This council generally consists of five British, two American, two Japanese, and five Chinese residents of the settlement. The French Concession is under the supervision of the French consul.

Spain: The possibility that the European powers might be drawn into war over the upheaval in Spain increased last week as unidentified submarines attacked and sank freighters and tankers of Great Britain, Russia, and France. Although no one knows who owns or commands the submarines, all indications point to Italy. That country disclaims all knowledge of the submarines, but the circumstantial evidence is strongly against her. The ships which have been attacked were all bearing supplies for the loyalists in Spain. General Franco, commander of the insurgent forces, has only two submarines, and the range of the attacks indicated a much larger force. Italy has provided men and supplies for the insurgents, first secretly and lately in the open—all Italy celebrated recently when Franco's men, reinforced by troops of Italians, won Santander from the loyalists.

If the blockade continues, the loyalists in Spain will suffer a great deal, because



THE ZONES OF FOREIGN SETTLEMENT IN SHANGHAI

they are largely dependent on supplies from Russia. They are depending on Great Britain, France, and Russia to intervene, which would throw those three nations against Italy and her ally, Germany, and might lead to the war which all the world has expected and feared. Great Britain especially cannot permit any interference in her shipping in the Mediterranean. Already she has protested vigorously against the "piracy" and has strengthened her



WIDE WORLD

EGYPT, TOO, TURNS TO ARMS AND THE MEN

Since acquiring virtual independence from Great Britain, Egypt has been busy developing her national defense forces. The uneasy situation in the Mediterranean gives her fears for her future.

force of destroyers in the Mediterranean. Last week the Mediterranean powers met in Geneva to investigate the attacks, and it is hoped that peaceful settlement can be reached through negotiations.

Egypt: The first independent army which Egypt has had in 55 years is being developed as rapidly as the nation's budget

be better to take over control as well and not continue to meet these deficits out of special appropriations.

Then, when Georges Bonnet took over the finance ministry under Chautemps, he also looked to nationalization of the railroads as one way of decreasing the government's deficit. Opposition from the conservatives prevented the complete nationalization, but under the new plan the government will control 51 per cent of the stock of the New National Railway Company, it will appoint 15 out of 33 members of the Council of Administration, and the Minister of Public Works will appoint all the high administrators for the company. This plan will bring under a single administration France's 12,723 miles of railroad, of which only about one-fifth is now government owned.

Germany: A new name in the dispatches from Germany is that of Herr Ernst Wilhelm Bohle, chief of the foreign section of the National Socialist party. Under his leadership, the party has been holding at Stuttgart a congress of Germans Living Abroad. Ostensibly this congress was organized in order to promote interest among people of German extraction now resident in foreign countries in the cultural life of their fatherland.

As the congress progressed, however, it appeared that the Germans abroad were also to be given every facility to join together in Nazi political groups so that they might work to further Nazi ideas in every part of the world. To promote these Nazi cells abroad, Herr Bohle announced, representatives of the party would be sent to Germany's embassies and legations where they would ask for diplomatic privileges like those usually accorded to ambassadors and ministers.

These suggestions have aroused a good many angry comments among foreign newswriters, and even, it is said, in some official quarters.

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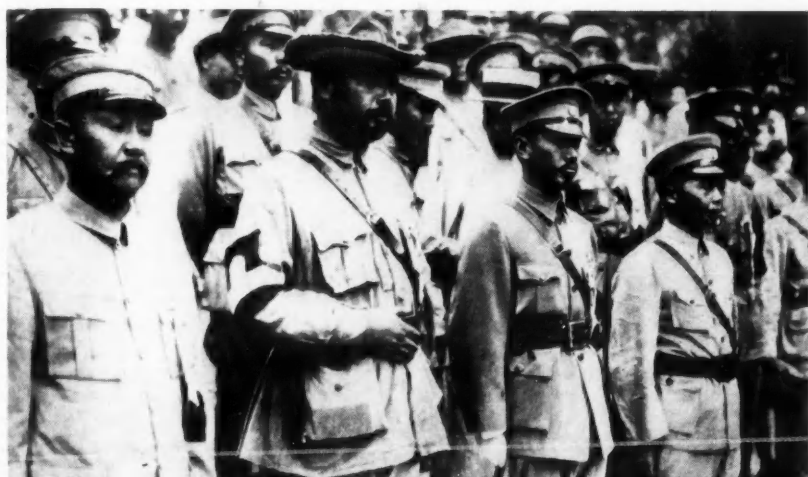
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CHINA'S GENERALS

The four most prominent military leaders of China, who are organizing the resistance against Japan. Left to right: Generals Yeng Hsi-Shang, Feng Yu-Hsiang, Chiang Kai-shek, Li Tsung-jen.

WIDE WORLD

France: At the last minute, just before its special powers expired on August 31, the French cabinet under Camille Chautemps announced a plan for the partial nationalization of all French railroads. The idea of bringing this industry under direct national control was not a new one but had already been advocated by members of the preceding Blum cabinet as a desirable aim for the Popular Front. It was pointed out that since the government was obliged to pay the railroads' deficits anyway, it would



U. S. MARINES FOR THE CHINA WAR ZONE
Part of the sixth regiment of Marines, as they drilled in San Diego, California, prior to embarking for Shanghai where they will help in the protection of American citizens.

Lewis Declares His Mind

The nationwide radio address delivered by John L. Lewis just prior to Labor Day has stirred widespread comment. There were three points stressed by Mr. Lewis which have received the most attention. One was his attack on President Roosevelt for having criticized, during the steel strike, labor extremists as well as employer extremists.

"It ill behooves one who has supped at



WHO CALLED 'EM 'THE MELANCHOLY DAYS'?'
HERBLOCK IN ASHEVILLE (N. C.) TIMES

labor's table and who has been sheltered in labor's house," Mr. Lewis said, "to curse with equal fervor and fine impartiality both labor and its adversaries when they become locked in deadly embrace."

The second important point in the speech was that dealing with the C. I. O. in politics. Mr. Lewis made it clear that the C. I. O. unions would do everything within their power to defeat those politicians who are unfriendly to labor. Some observers interpret certain remarks made by Mr. Lewis to mean that the C. I. O. would support a third party movement, although it is generally felt that he merely meant that his organization would try to defeat candidates to office who were not favorable to the C. I. O.

Mr. Lewis, in the third important section of his address, replied to critics who have accused the C. I. O. as having communistic leaders and tendencies. "Unionization," Lewis said, "as opposed to communism, presupposes the relation of employment; it is based upon the wage system and it recognizes fully and unreservedly the institution of private property and the right to investment profit. It is upon the full development of collective bargaining, the wider expansion of the labor movement, the increased influence of labor in our national councils, that the perpetuity of our democratic institutions must largely depend."

NOTICE TO TEACHERS

The first issue of *The Civic Leader* will be dated September 20, instead of September 13, as originally announced.

"The organized workers of America," Mr. Lewis continued, "free in their industrial life, conscious partners in production, secure in their homes and enjoying a decent standard of living, will prove the finest bulwark against the intrusion of alien doctrines of government."

The *New York Times*, in an editorial on Mr. Lewis' speech, agrees he is on sound ground when he claims that the objectives of the labor movement are entirely different from those of communism. It goes on to say, however, that "his account of the essential prerogatives of labor in a free society would have been more complete if, along with recognition of the right to organize and the right to strike, it had included also recognition of the right to work."

The Sugar Bill

In the last days before Congress adjourned, the Senate and House agreed to pass the sugar quota bill in a form which was known to find little favor with the Roosevelt administration. And, rather than let all restriction of American sugar imports lapse next December when the old law expires, President Roosevelt has signed the unwelcome bill. In return for this concession he is said to have received a promise from the American sugar-refining interests that they will relax their demands in 1940 when the new law expires.

The new act covers two aspects of the sugar supply—first the allocation of quotas for raw sugar production, and second, the quotas for importation of refined sugar from American island possessions and from Cuba. Although the quotas for growers slightly reduce the amounts which Cuba may export to this country, this part of the bill is officially approved. Outside the government even this provision is attacked on the ground that it perpetuates an industry which pays poor wages and employs child labor. But the growing of sugar beets is so firmly entrenched in the southwest and other parts of the country that



AN OVERSEAS HIGHWAY TO KEY WEST, FLORIDA
The government is engaged in the task of turning Key West into a popular tourist resort. The long and narrow road from the mainland of Florida to Key West, formerly a single-track railroad, is being made into a two-lane highway.

The Week in the

What the American People

this evil is not even attacked by the new act.

What President Roosevelt does object to in the new bill is the provision that only very small quantities of refined sugar may be imported, thus cutting off Puerto Rico, Hawaii, and the Philippines from the most profitable part of their business. He hopes that these provisions may be changed before 1940, but he has been promised that at any rate they will not extend beyond that date.

Loans on Cotton

Henry Wallace, secretary of agriculture, has announced the cotton loans will be nine cents a pound. He stated also that the loans will be made on only 65 per cent of each farmer's crop. Cotton farmers did not expect this restriction and began at once to organize a powerful cotton lobby that will probably try to influence legislation in January. Administrators say that the restriction is necessary, as federal funds for this purpose were limited by Congress to \$130,000,000. This dispute will come to a head when Congress meets in January to work out a law for reducing cotton surpluses by agreement with farmers.

The farmer who secures a nine-cent loan on 65 per cent of his cotton now automatically pledges that he will sign a crop-control contract in January. In return the government is guaranteeing him a price of 12 cents a pound on that part of his cotton upon which he arranges a loan. The purpose of the federal loans is to encourage farmers to hold back part of their crop, selling it later. The price is expected to rise. Even if it does not, the government will pay farmers a subsidy of three cents on each pound of cotton which they hold under a nine-cent loan. This amounts to "pegging" the cotton price at 12 cents a pound, it is said.

Exit the RA

Another New Deal creation went into the discard when Secretary Wallace announced that the Resettlement Administration was to be changed to the Farm Security Administration. The FSA will administer the Bankhead-Jones Farm Tenant Act, passed at the last session of Congress. In doing this, it will continue some of the Resettlement Administration's work, but it will not continue other projects which brought a great deal of criticism to the RA.

Under the Bankhead-Jones Act, the new FSA will make loans to farm tenants with which to buy land. A Farm Home Corporation will be set up for this purpose, capitalized at \$100 million. The FSA will have another \$100 million with which it will buy sub-marginal lands, or lands which are not productive enough to be worth farming, and put



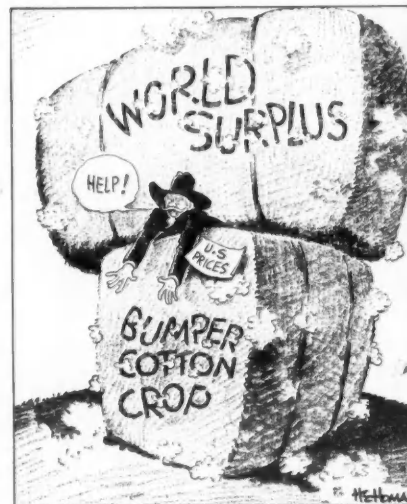
QUICK TO RELIEVE AN EMERGENCY —

them to other use. The director of the FSA will be Will W. Alexander, lately head of the RA, and Dr. L. C. Gray will keep his position as assistant to Mr. Alexander.

The FSA will not carry on the RA's attempts to build model towns, such as Greenbelt, Maryland. Neither will it attempt to resettle groups of farmers in more productive territory. It was because of such projects that Rexford Guy Tugwell, the head of the RA in its most active days, was severely criticized.

Planes to China

The National Maritime Union, the C. I. O.'s organization of seamen, has been considering what should be the policy of the organization with relation to the Far Eastern war.



TIGHT PLACE
HOMAN IN SHREVEPORT (LA.) JOURNAL

First it was announced that rather than help prolong the war by delivering to China 19 Bellanca planes which are now abroad the steamer *Wichita*, the seamen would strike when the vessel touches at San Francisco on September 16 or when it touches at Manila before proceeding to Hong Kong. The explanation given was that if the government refuses to put into effect the neutrality law which prohibits shipments of arms to belligerents, the seamen would take matters into their own hands.

Later, it was announced that the seamen might not refuse to take the steamer to China if each were given a \$250 bonus to cover the risks of penetrating into the war zone. Mr. Ralph Emerson, the Washington lobbyist for the National Maritime Union, pointed out that if ship companies charge extra freight rates to cover their risks, the seamen might demand extra wages since they were exposed to the greatest risks of all. When the *Wichita* reaches San Francisco, it will be interesting to note whether the main issue becomes neutrality or war-risk bonuses; at present the vessel is on its way through Panama.

Who Suffered Most?

At one time a popular belief existed that day laborers were the class of workers that was hardest hit by the depression. However, in a study conducted by the Works Progress Administration, it has been found that the worker classed as "semi-skilled" suffered the

The United States

Doing, Saying, and Thinking



— SLOW TO CURE THE CAUSE
CHAMBERLAIN IN HAZLETON (PA.) STANDARD SENTINEL

most during hard times. The survey, conducted in Chicago, showed that 29.6 per cent of the men on relief in that city were in the "semi-skilled" classification, while 22.7 per cent of the relief workers formerly held jobs as unskilled laborers.

Only a total of 1.6 per cent of the relief workers formerly were employed on "white collar" jobs. It is believed that this class, ordinarily amounting to five per cent of the workers in good times, was able to keep off relief because of greater cash reserves or because they suffered less unemployment.

One purpose of this survey was to determine whether education helped to keep people off relief rolls. According to the 1930 census, the average education of all persons over 18 years of age was about the eighth grade. It was found that the average relief client in

without causing any very serious difficulties.

The Farm Security Administration has thousands of applications from families who want to live in Greenbelt. These will be carefully sifted before the tenants are selected. Only families with incomes between \$1,000 and \$2,000 will be eligible. The rents charged for the homes will range between \$18 and \$41 a month, which includes heat but not light and water.

The federal government spent approximately 14 million dollars to build Greenbelt. It was primary a relief project—9,700 men worked 23 months on it—and the government contends that if the community had been constructed as economically as possible, without the extra costs involved in using relief work, the total could have been cut by four million. The administration plans to receive \$424,000 a year from Greenbelt in rents, of which \$60,000 will be "profit" for the government and the rest will go for expenses. If rents were allowed to go as high as tenants would be willing to pay, it is estimated that Greenbelt would bring in \$744,000 a year, but that would destroy the low-rent housing objective.

School Days

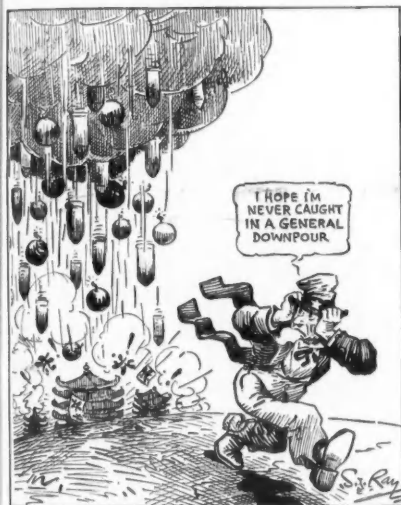
Almost 31 million boys and girls, young men and women, will enroll in schools in the United States this fall, but that will be a decrease from last year according to the Office of Education. The birth rate in the United States has been falling for several years, which means that there are fewer boys and girls to enter the kindergartens and elementary grades. Interest in higher education is on the upgrade, however. Last year the high schools showed a 300,000 increase over 1934.

The educational system of the country will be better this year than last, says the Office of Education. Many states have increased their school budgets, which means that schools will be better equipped, teachers will be better paid, classes will not be so large. The National Youth Administration will distribute money to high school and college students which will enable many of them to stay in school, and many high schools and colleges will have new buildings this fall, thanks to the PWA program.

* * *

Sometime next year, probably before April, the United States will make an attempt to find out exactly how many unemployed there are in this country. The government will invite all those who are seeking jobs to register, most likely at the post offices.

It remains to be seen how many of the unemployed will comply with the government's request since they will not be compelled to register and no effort will be made to count them by sending census-takers from house to house. Congress did not approve a house-to-house count because it would be expensive and would take too long to complete.



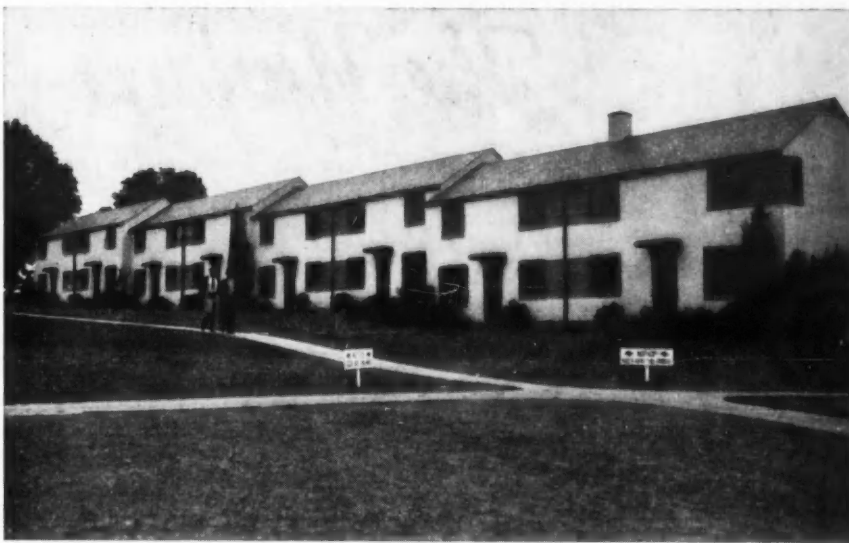
IF THIS IS JUST A LOCAL SHOWER
RAY IN KANSAS CITY STAR

1935 had had only a seventh-grade education. Apparently, then, education in a limited degree did help to keep persons off relief.

Cooperative Greenbelt

Greenbelt, Maryland, the federal government's experiment in low-rent housing and city planning, will also be an experiment in cooperative management. All the businesses of the little town seven miles from Washington will eventually be managed by the families living there. In order to prevent any waste through competition, there will be just one grocery store, one barber shop, one filling station, one milk route, one theater, one of each type of small business necessary in the community. The Farm Security Administration has arranged with the Consumer Distribution Corporation, a nonprofit cooperative organization, to finance the businesses and to put them in running order. The corporation will make no profits, and will turn the businesses over to the local cooperatives as soon as possible.

Greenbelt will be ready for occupancy by October, according to present plans. It includes 885 houses and apartments, each equipped with electric refrigerator and stove, and 13 farms. There are two schools, one including a library, a gymnasium, and an auditorium. Surfaced roads and sidewalks have been laid. The town is a model of planning. The utilities will supply 3,000 homes, and in every way the community can expand



GREENBELT—LATEST IN MODEL COMMUNITIES
Recently completed, on the outskirts of Washington, Greenbelt, formerly known as Tugwelltown, will house over 800 families in the moderate salary scale. Stores and other concessions will be operated on a cooperative basis.

NEW BOOKS

England and Germany

The recent antagonism between Great Britain and Germany over the activities of newspapermen in both countries makes A. L. Kennedy's book, "Britain Faces Germany" (New York: Oxford University Press. \$1.50), particularly timely.

Mr. Kennedy takes a broad-minded and tolerant attitude toward Germany. All through the book he explains why Germany followed the course she has taken. He bases his explanation on a first-hand knowledge of nations, of peoples, of diplomats, and of history. As a special writer on foreign affairs for the London Times for many years, Mr. Kennedy was in close touch with all the diplomatic maneuvering which followed the World War. He reported the Treaty of Versailles, the Treaty of Locarno, and the various international conferences which have been held since 1918. Mr. Kennedy writes of the personalities of diplomats — Stresemann, Bruening, Austen Chamberlain, Simon, Grandi.

Flavor of Missouri

There are days when you like to take time out from reading long novels and listen to a good story. For one of these occasions, pick up "The Romance of Rosy Ridge" by MacKinlay Kantor (New York: Coward-McCann, Inc. \$1.25). Instead of feeling that you are turning the pages of a book, you will be sitting on a stump by an old Missouri farmhouse, listening to Kantor unfold the strange story of Henry Bohun as it took place in the days just after the Civil War. Kantor talks the language of his rural characters, and as he speaks he seems to be sitting there curling fine shavings from a stick of wood with his

knife, or quietly picking his teeth with a straw. You have never heard of a stranger man than this Henry Bohun, who played tunes on a paper-wrapped comb. He wandered into a little, rural Missouri community, and stayed to work on one of the farms. An old-fashioned get-together, high feelings over the Civil War, and the baying of lean hounds give color to the story. Henry almost fell victim to the postwar prejudices, but he lived to be a hero. When you hear MacKinlay Kantor spin this



From a drawing in "The Romance of Rosy Ridge"

story, you will be right in the mood for picking up a stick and whittling shavings as the tale progresses.

College Romance

Novels about college life and movies with collegiate settings usually present such an unbalanced, distorted picture that many people are given an unfair view of our universities. It is refreshing, therefore, to find that "Let Winter Go," a novel by Isabel Wilder (New York: Coward-McCann, Inc. \$2.), does not give first place to cheerleaders, quarterbacks, and campus beauty queens.

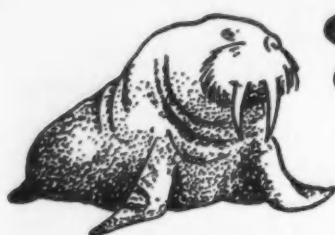
The setting of "Let Winter Go" is in a New England university, where Alicia Rowe, a graduate student, falls in love with one of her instructors, Professor Hyatt. The professor is unhappily married to a woman who has a greater passion for traveling and for spending money than for living within the modest means of her husband's income. He is a kindly man, thoroughly interested in the welfare of his students, among whom is Jon Spencer. Unusual complications arise, however, when Jon happens to fall in love with Alicia.

Miss Wilder does not let the story fall to the low level of mushy romance. She has drawn the characters keenly, and placed them in plausible situations which might easily occur on a college campus. Although she has preferred to devote the greater part of the story to the lives of the students and the professor, leaving in the background the familiar scenery of books and classrooms, in no sense does this give the reader a feeling of having had an untrue picture of college life.



GETTING THE LATEST NEWS

One of the busiest spots in the State Department these days is the telegraph room where all the confidential messages from consular offices and embassies come through for distribution to the appropriate bureaus.

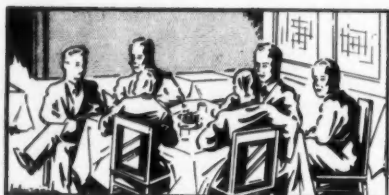


The Walrus

"The time has come, the walrus said, to talk of many things: of shoes—and ships—and sealing wax—of cabbages—and kings."

I SAW "The Lost Horizon" the other day, and I give it a place, along with "Cavalcade," as one of the most artistic, powerful, and gripping movies I have ever seen. Beauty runs all the way through it; beauty of landscape and architecture, beauty of design and beauty of ideal. The plot is interesting and at times exciting and it leaves one with something to think about and reach toward. Thought-provoking, imaginative, inspirational—you don't expect to describe a movie in such terms. But this picture is in many respects quite out of the ordinary.

THE dining room of the National Press Club has become a very popular clearing house for stories and ideas among the Washington correspondents. Perhaps no-



where else in the country can one see so many prominent political writers at one time and place as may be seen almost every day at about one o'clock around the Press Club tables. Two or three of "the boys" may start their lunch together, but before they have finished they may be joined by half a dozen others. One day not long ago the following well-known correspondents chanced to fall in together at one table: Clifford Prevost, correspondent of the Detroit Free Press, Ernest Lindley, of the New York Herald-Tribune, author of "The Roosevelt Revolution" and "Half Way With Roosevelt," Fred Essary, the veteran correspondent of the Baltimore Sun, Raymond Clapper, who writes a syndicated column for the Scripps-Howard newspapers, and Erwin Canham of the Christian Science Monitor.

MANY bits of inside information are exchanged by these writers. The other day, for example, one of them dug up information to the effect that the inner circle of Roosevelt advisers were thinking seriously of putting forward Senator Robert M. La Follette as the administration's candidate for the Democratic presidential nomination. This information was passed on to other Washington correspondents and it appeared simultaneously in a number of the leading newspapers of the country. The last time I was at the Press Club I found a number of the men exchanging ideas concerning the President's popularity in the different sections of the country. One of them had attended a week-end party at which several prominent senators were guests, and he reported the private conversation and "off-the-record" opinions of these senators concerning the sentiment of the voters. Information such as this is not quoted directly, of course, but it helps the correspondents to form their opinions and it lends color to the political stories which they send out from the capital to their local newspapers.

It is interesting to note that many of these Washington correspondents differ sharply in politics from the newspapers which they represent. The reports which they send out from Washington, often bearing their own names, represent a compromise between their own views and the ideas they think the publishers of their papers want them to write. It is a fact that some of the men whose articles are read daily in the great newspapers discuss matters in private conversation very differently

from the way they write about the same things in their daily reports.

SENATOR La Follette has a personality quite different from that of his famous father who led the progressive cause in the Northwest for so many years. The elder La Follette was inclined to be excitable and explosive, whereas the present senator is inclined to be quiet and self-possessed. I have had a chance to observe Senator La Follette at close range several times through being a member of a committee of which he is chairman. I have been impressed with his thoughtfulness, his practical turn of mind, and his disposition to listen to different points of view. Idealistic he unquestionably is, but there is an atmosphere of the practical about him. He is a man of deep feeling as anyone can tell by the emotional quality of his voice in his public addresses. But his emotions are subject to reason so that he doesn't get off on tangents. Whatever one may think of his political conclusions, no one can question that he is a distinctly thoughtful individual.

ONE trouble with educators is that they are so likely to become theoretical and to lose touch with actual people and their needs. They talk about education in an abstract way and forget the human beings which education is supposed to serve. That is true particularly of many educators of great reputation. It is not true of the United States commissioner of education, John W. Studebaker. He takes an active interest in the civic affairs of Washington. He presides at the community forum known as the Town Hall. He spends much of his time in conferences with others engaged in civic undertakings.



JOHN W. STUDEBAKER

He is an active, energetic man, deeply interested in the problems of American democracy and of the human beings who make up the American population. His mind runs to concrete rather than abstract things. He is very human, likes a joke, and at the same time doesn't hesitate to engage in a fight when he needs to do so. When questions are put to him, he doesn't evade but gives his opinions freely and frankly. Probably the work with which his name will be most closely associated is that of establishing forums for public discussion. He is encouraging the formation of these meetings for the discussion of public problems all over the country and is promoting them as a means of strengthening American democracy.

—The Walrus



SENATOR AND MRS. ROBERT M. LA FOLLETTE



THEODORE ROOSEVELT
Who led a third party movement in 1912 and lost.

COURTESY ROOSEVELT HOUSE

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

History of Third Party Movements

THE present confused political situation has given rise to rumors of the establishment of a third party to enter the field in the 1940 elections. It has been predicted in some quarters that, should the President fail to control the Democratic party he would seek to rally all progressive elements into a new party with either himself as candidate or some other liberal who would carry forward the New Deal policies. There have also been rumors that a third party, representing the interests of organized labor, would enter the 1940 contests. It has also been predicted that a third party would be formed to draw the conservative elements of the country.

Purposes of Third Parties

However all this may be, an examination of the record of the third parties which have figured in past political contests indicates that the prospects of such movements are not bright. Since the early days of our history, candidates of more than the two major parties have appeared on the ballots, although only seven times—four before the Civil War and three since—have they won any electoral votes or a fair share of the popular vote. Even Theodore Roosevelt, who broke away from the Republican party and ran as the Progressive candidate in 1912, received only a little more than a quarter of the total popular vote and 88 of the 531 electoral votes.

Third parties have, in the main, been organized for the purpose of forwarding some specific cause or reform or, in a negative way, of working against certain existing policies. The earliest of the third parties, the Anti-Masons, organized during Andrew Jackson's administration, had as its purpose the opposition to the election or appointment of any Mason to public office. The famous American party, or "Know Nothing" movement, which entered upon the scene in the fifties was opposed to Roman Catholics and to foreigners. The slavery issue gave rise to third parties representing all shades of opinion on the subject. The Prohibition party, which entered the presidential election of 1872, has survived as a minority party to the present.

The truly important third parties of our history have come into existence in the post-Civil War period. Most of them have been organized for the purpose of correcting abuses which developed under the rapid industrialization of the nation. They have represented various interests, particularly farmers and workers, who have felt that neither of the major parties would inaugurate policies which would benefit them. Thus we find such parties as the Labor Reform, Anti-Monopoly, Greenback, and finally the Populist, each with a more radical economic program than the major parties, appearing on the scene between the seven-

ties and the closing years of the century.

The two more recent attempts to wrest political control from the major parties occurred in 1912 and 1924. The split which took place in the Republican party in 1912 resulted from the struggle between the progressive and the conservative wing of the party to control the convention and name the candidate. The resulting Progressive party won more support than the regular Republican party, although the Democratic candidate was elected to the presidency.



DAVID S. MUZZEY

The third party headed by Senator La Follette in 1924 was a protest movement against the conservatism of the two major parties and appealed primarily to the farmers and the workers of the nation.

Reasons for Failure

Why has the record of third parties not been more impressive? There are many obstacles to the formation of third parties, and even greater obstacles to their winning elections. Many of the state laws would have to be amended so as to permit the entry of third-party candidates in the primaries or general elections. Another major difficulty is the lack of a political machine which is so essential to any party. A party organization would have to extend not only to the 48 states but to 3,000 counties and 150,000 precincts if it were to hope for a successful campaign. In order to set up such a machine, millions of dollars would have to be raised to pay expenses. These obstacles are well-nigh insuperable.

While the two-party tradition has become so firmly established as to make success for a third party practically impossible, the fact remains that third parties have exerted considerable influence upon our political history. In a large number of instances, third parties have anticipated reforms eventually put into effect by one of the major parties. In 1896, the Democratic party took over many of the more important planks of the Populists. While the Prohibition party has never registered impressive gains in national elections, it was at least partly responsible for the adoption of the eighteenth amendment. As one authority has so aptly put it: "On occasion major parties have not hesitated to pursue the gentle practice of stealing planks from the platforms of minor parties. To so great an extent is political kleptomania of this type prevalent that third parties may be considered the means whereby the older parties have been made to conform to a changing economic and social environment."

Powerful I. C. C. Regulates the Nation's Transportation System

ELEVEN commissioners, looking very much like judges in a court, sit behind a long elevated table, listening to arguments being presented by the legal adviser to a great railroad. These 11 men make up one of the most powerful agencies of the federal government, the Interstate Commerce Commission, which has just celebrated its fiftieth anniversary. The next speaker at such a hearing may be the representative of some farm community which feels that it is not getting full benefit of the special low drought rates provided by the railroads to enable farmers to ship their cattle away to better grazing lands for the summer. Or it may be that the complainant will be a town's chamber of commerce, roused to protest against the decision of some railroad to stop operation on the town's only railroad line. Or, again, a railroad will send a representative to complain of unfair competition from an existing or proposed new motor trucking company.

In every case, the Interstate Commerce Commission will hand down an order which has the force of law; and in this way, a workable transportation code for the country is gradually being built up.

Work of I. C. C.

When the Interstate Commerce Act was passed in 1887, setting up a commission with power to fix railroad rates and to judge cases of alleged discrimination, the railroads predicted panic, bankruptcy, and general collapse of business; but nothing of the kind happened.

Between 1840 and 1870, the railroads had been attracting the attention of far-sighted capitalists, who, by spreading money about them lavishly, had obtained from one state legislature after another special charters which granted them practically unlimited freedom in the fixing of rates. With this power went also the power to make or break almost any of the more isolated communities of the Middle West. For, by charging a prohibitive rate for shipments of goods from one town, the economic life of that community could be cut off in short order. Farmers could not market their goods. Small businessmen got less favorable rates than did the trusts, which also appeared on the scene at about the same time.

The states began serious attempts to regulate intrastate rates in about 1877, but at the same time it became clear that only interstate rate regulation would solve the problem. After a Senate investigating committee had reported in 1885, revealing many abuses on the part of the railroads, the country was so shocked that Congress rushed an act through in short order and the Interstate Commerce Commission came into being in 1887.

Many other duties, in addition to the fixing of railroad rates, have been added. Pipe-lines, sleeping-cars, motor transport

companies, and to a certain extent, airlines, have been brought under the control of the I. C. C. Until 1934, telephone, telegraph, cable, and wireless regulation were also part of this setup. In 1920, the commission was given power to work out a plan for consolidation of the railroads, and the railroads themselves were forbidden to make any mergers or to abandon any track without permission of the I. C. C. Also, new securities cannot be issued by the railroads or the motor transport companies without I. C. C. approval.

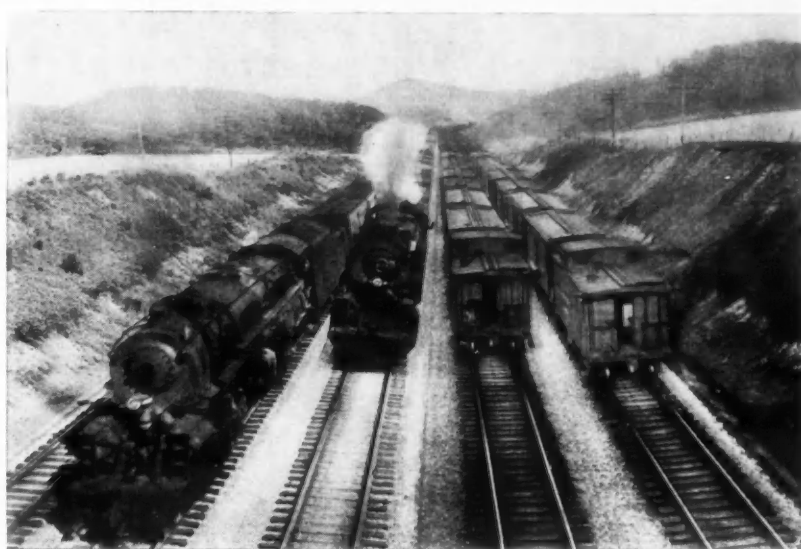
In addition to these controls over the finances of railroads, the I. C. C. has charge of accident investigation, locomotive inspection, signal inspection, enforcement of hours of work protection for employees, and the execution of many other laws which have been enacted to insure safety on the railroads. Rates of payment to railroads and airlines for carrying United States mail are also established by the I. C. C. Curiously enough, this body also fixes the standard time zones in the United States.

As the volume of work assigned to the commission has increased, it has been necessary to divide up the cases handled so that each commissioner will take part in only one or two types of cases. For this reason, cases may be heard and decided by as few as three commissioners. Also, of course, there is a large staff of employees, numbering over 2,000 and including lawyers, engineers, economists, accountants, inspectors. Usually employees stay with the commission a long time, and many high officials, including a few commissioners, have come up through the ranks.

THE FAR EAST

(Concluded from page 2, column 4)

President to place further restrictions upon trade. The cash-and-carry provisions, which may be invoked, make it essential for warring nations to pay cash for goods they buy in this country and to haul them in their own ships. This feature would greatly hurt China since she has neither the money to buy needed goods nor the ships to haul them, whereas Japan has both. Strong pressure is being brought to bear upon the administration to invoke the neutrality law as an insurance against our being drawn into a war with Japan. In some quarters it is being urged that the American government should adopt a more aggressive policy toward Japan and should, with British cooperation if possible, show Japan that the United States means business. Finally, there is a large body of opinion, probably a majority of the people, which feels that our stake in China is entirely too small to run the danger of becoming involved in a war and that we should allow Japan to do as she pleases in China, however regrettable for China's welfare may be the outcome.



THE RAILROADS — ONE OF THE CHIEF CONCERNS OF THE I. C. C.

States Cooperate in Solving Problems of Mutual Interest

QUIETLY and without much publicity, a movement for greater efficiency in state government has been gaining ground. Eight states have created legislative councils whose duty it is to hold meetings from time to time throughout the year when the legislatures are not in session. These councils take account of needed legislation, plan programs for legislative action, secure information on measures likely to come up, prepare bills for introduction, and in other ways deal with state problems as members of the legislature could scarcely do during the occasional hurried sessions. Wisconsin installed a legislative council in 1931, and it has been followed by Kansas, Virginia, Michigan, Kentucky, Connecticut, Nebraska, and Illinois. These groups provide responsible and informed leadership for the houses of the legislatures, but still they exercise no direct power.

In addition to this plan, states are also experimenting in other ways to vitalize their activities and to meet new problems. Perhaps the most important movement among the states is their growing tendency to work together in dealing with matters of commercial concern. Some years ago, each state tackled its own problems individually. But now that the different sections of the country are so closely knit together as a result of rapid communication and transportation, there is a growing need and willingness on the part of the states to cooperate with one another.

The Council of State Governments, an agency which acts as a clearing house for the solution of state problems, reports that 35 of the 48 states have joined this movement for cooperation by establishing bureaus for the conduct of interstate business. Among the major problems which will be tackled by two or more states are interstate differences in social security rulings, conflicting taxation, and crime control. Of course not all states cooperate on each and every problem. There are many matters

which may affect only a few states, such as difficulties in the flood basin and in the dust bowl, stabilization of coal production and sale, milk control, watermelon marketing, tobacco control, cattle rustling, and so on.

Many students of government feel that this movement in the direction of interstate cooperation is of the utmost importance, for it may help to check the growing centralization of the federal government. Others are of the opinion, however, that such questions as those relating to hours, wages, and other working conditions in industry are national in scope and must, by their very nature, be performed by the national government. It is impossible, according to this viewpoint, to obtain the necessary cooperation of all 48 states in dealing with these questions. At any rate, everyone is agreed that there are a great many problems which states can handle effectively if they work on a cooperative basis.

Your Vocabulary

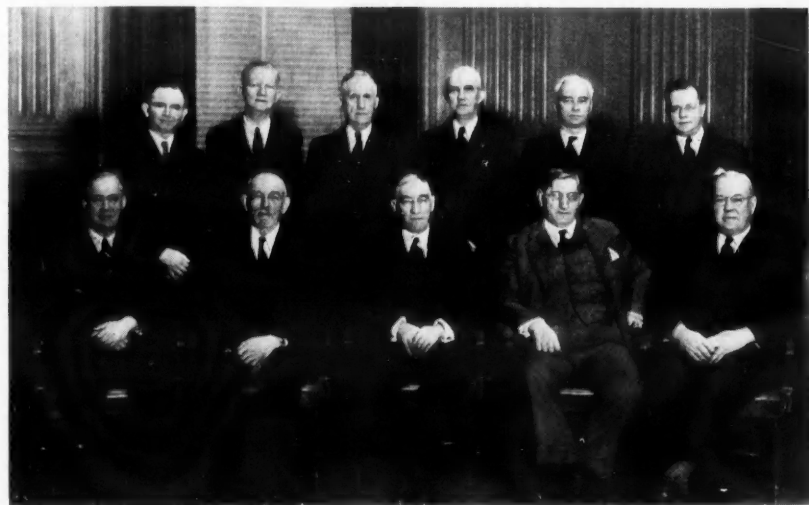
What are the most overworked words in the language? Wilfred J. Funk, publisher of "The New Standard Dictionary," lists 10 of them, according to *News-Week*. Here they are: lousy, okay, terrific, contact, gal, racket, swell, impact, honey, and definitely.

There are three explanations to account for the overworking of words: imitateness, laziness, or deficiency of vocabulary. Last week we suggested that one might enlarge his vocabulary by being on the lookout for words not at his own command in his daily reading. We reprinted several words taken from a single issue of a daily newspaper. Here is another list. This one comes from the *Manchester Guardian*: inculcate, taboo, inept, permeate, incredible, Leviathan, impregnable, corollary, tenacious, capricious.

Something to Think About

1. What is the basic cause of the threatened split in the Democratic party?
2. What is the main purpose of President Roosevelt's contemplated trip across the continent?
3. Do you think a third party would have a chance of winning the elections of 1940? Why?
4. In your opinion, is America's stake in China sufficiently vital to warrant our becoming involved in a war with Japan?
5. What policy do you think the Roosevelt administration should adopt in dealing with the present Far Eastern crisis?
6. If we are to insist upon maintenance of the open door in China we must be prepared to go to war with Japan. Do you consider that statement true?
7. What significance do you attach to the recent address of John L. Lewis with respect to (a) formation of a third party; (b) communism; (c) President Roosevelt's dealings with labor?
8. Why have many foreigners objected to the action of the Nazis at their Stuttgart meeting?
9. What economic controls has Japan recently inaugurated as a result of her war with China?
10. On what basis is the federal government's project at Greenbelt, Maryland, to be operated?

PRONUNCIATIONS: Peiping (bay'ping'), Santander (sahn-tahn-dair'), Camille Chautemps (ka-meel' sho-tahn'), Chiang Kai-shek (jee-ong' ky' shek').

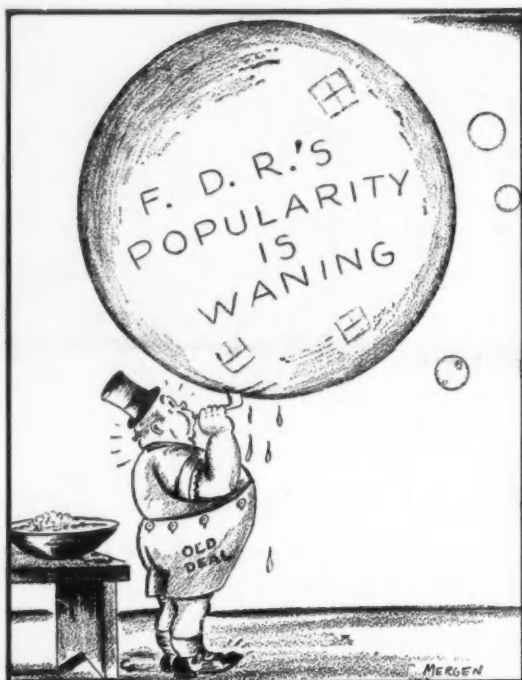


THE INTERSTATE COMMERCE COMMISSION

Left to right (seated): Joseph B. Eastman, Baltheasar H. Meyer, Carroll Miller (chairman), Clyde B. Atchison, Frank Macmanamy. (Standing): Walter M. W. Splawn, Hugh M. Tate, Claude R. Porter, William E. Lee, Charles D. Mahaffie, Marion M. Caskie.

The Threatened Democratic Split

(Concluded from page 1)



FOREVER BLOWING BUBBLES

MERGEN IN MIAMI DAILY NEWS

the trusts. Now and then really fundamental problems rose to the surface, as in 1896 and 1912, but these instances have been exceptional. The Republicans on the whole have suited businessmen a little better than the Democrats have, while the Democrats have, by and large, satisfied class-conscious labor somewhat better. The Republicans have usually had a majority of the farmers of the North, while the Democrats have had all the South and the large cities of the North. But vital issues there have not been. By the 1928 elections the two parties were almost indistinguishable, except for the question of leadership.

During the period of sham battles between Republicans and Democrats, both relatively conservative, a long-continued fight was waged within the Republican party. Progressives, from the days of Theodore Roosevelt, have fought for control with the policy of economic and political liberalism. The Democratic party has also been divided between progressives and conservatives, but such fights are seldom very dangerous or bitter in the case of the party which is out of power. The opposing factions can work for their conflicting programs without coming to grips, so long as neither has any power. It is only when a party wins elections and has the power to pass laws that the factions come into dangerous and vital conflict for control, but the cleavage in the Democratic party was there, nevertheless.

The Republicans had been the majority party from the close of the Civil War until 1932. They had lost an occasional election, but only because of internal difficulties. Regularly, there were more Republicans in the country than Democrats. By the 1920's the majority was rather heavy. Then came the depression, and as a result of it the Democrats found themselves entrusted with authority, but the party was not united and had no clear-cut, definite party program.

Break with the Past

There followed a political development of first importance. President Franklin D. Roosevelt set out to develop a program, one that was not in keeping either with the main tradition of the Democratic or the Republican party. In whipping this program into shape, he raised fundamental issues as to what the government should do.

When President Roosevelt assumed office in the midst of the great economic crisis, he began to set the government to tasks new to it. The government took

stronger action than it had done before in controlling industry. It did not stop with outlawing trusts and monopolies. There began to be regulations limiting the crops which farmers should raise and the quantity of coal which should be mined. Wages were regulated and limits were set upon the number of hours per week which one should work. There were rules fixing prices in certain industries. An experiment was started by which the government competed with private power companies in order to hold prices to a figure it considered fair. There was inaugurated a social security plan by which the government undertook to provide or to help people make provision for old age, unemployment, and illness. The government started a program of housing, designed to assist the very poor to obtain suitable living quarters. At the same time the government

assumed the responsibility of providing for persons throughout the nation who could not find work. Billions were borrowed and spent for the relief of the unfortunate.

All these things made the government play a bigger part than it had played in the lives and plans of the people. In order that it might carry out such a program effectively it needed to be a strong government. It had to enter certain fields which were commonly thought to have belonged to the states. It was necessary to the success of the new program that the Supreme Court should be generous in interpreting the powers of Congress, and when it gave decisions which restricted the powers of the national government there was impatience with the Court.

Opposition Develops

While the depression was at its depth, there was little open criticism of these policies. But when the country at last was moving toward recovery, it became appar-

ent that President Roosevelt wanted to continue many of his measures and to fit them into a permanent policy. Through these measures he hoped to use the government in such a way as to provide greater comfort and security for the poorer sections of the population. He had a vision of plenty and opportunity for all. His "New Deal" was to build a new and better America; an America more secure against the probability of future depressions; an America whose government would help its people attain to higher standards of living.

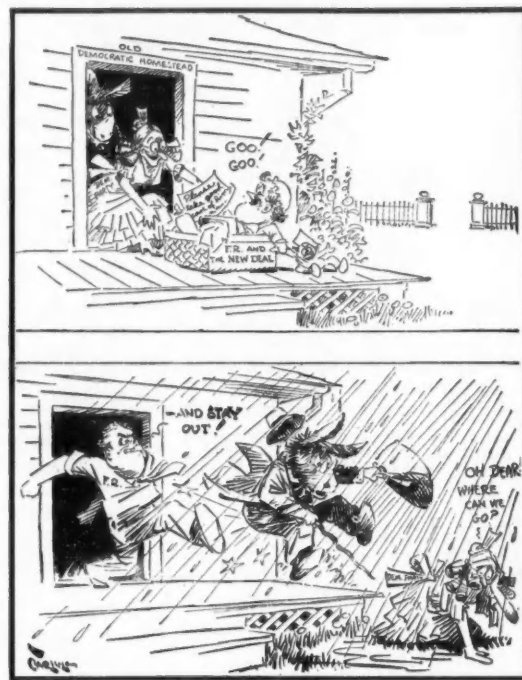
By 1936 the Republicans were in revolt against this program. They argued that, the crisis being over, the government should return to its usual functions. They declared that governmental competition with and control of private industry would hurt business, would prevent complete recovery, and would deprive individuals of freedom to govern their own affairs.

Many Democrats held to the same point of view. They did not like the new ideas which the President was injecting into the party. They did not want to be made over. A few of these Democrats, including two former candidates of the party for the presidency, John W. Davis and Alfred E. Smith, broke openly and supported the Republicans, but most of the party leaders clung to the party, feeling that by such means alone could they hold their offices.

Revolt in Congress

The result of the election, as everyone knows, was a victory for the President and his made-over party; a victory so smashing as to give the Democrats four-fifths of the membership in Congress.

But while, on paper, it appeared that President Roosevelt had Congress almost solidly behind him when it met last Janu-



THAT'S GRATITUDE FOR YOU

CARLISLE IN DULUTH NEWS-TRIBUNE

ary, those who looked beneath the surface knew that he did not. They knew that a large proportion of the Democrats in the Senate and the House were no more New Dealers than the Republicans were. It was not long before the conflict within the party came to the surface. It came definitely into the open when the President made his proposal to enlarge the Supreme Court. Before this many of the Democrats who were opposed to a large part of his program were afraid to come out against him because of his popularity. But here was an issue, they thought, upon which the majority of people did not agree with him. They figured that they dared to oppose him on it, and did so.

This victory gave the anti-New Deal Democrats new courage. They refused to follow the White House leadership on a number of points. They prevented the passage of several important laws which the President wanted adopted.

These defeated measures are thrown directly before the American people. The effort to raise wage standards, to prevent long hours in industry, and to limit agricultural production are vital to the President's program. They will be fought out in Congress and before the country, and on these issues sharply divided factional alignments will develop.

Fight for Control

And now the fight for the control of the President's party is out in the open. President Roosevelt will undertake to control the party and perpetuate his New Deal policies. He and his followers will undertake to control the next Democratic convention. The anti-New Deal Democrats will fight openly from now until the convention is over to prevent this. The proposed speaking trip of the President in the western states is a part of his strategy.

President Roosevelt and his closest advisers are in frequent conference concerning the best course to pursue in this contest. For a while the possibility that the President should run for a third term was considered, and that idea has not been definitely abandoned. But more recently there has been talk of making Senator Robert M. LaFollette of Wisconsin the candidate of the Roosevelt forces for the presidency. By putting him forward, it is hoped that the support of all liberal or New Deal elements within both parties and among independents may be obtained.

And so things stand at this time. Unquestionably the political atmosphere is charged with drama as the forces gather for one of the great contests of American history.

Smiles

Lady (in theater): "Pardon me, sir. Does my hat bother you?"

Gentleman (behind): "No, but it bothers my wife. She wants one like it."

—LABOR LEADER (Toronto)

A motorist in America was lifted out of his car by a whirlwind and blown into a field 20 yards away. Probably he didn't fold up his road map in time.

—HUMORIST

Anyway, doctors are honest. They call it "Practicing."

—Washington Post

Judge: "You admit that you drove over this man with a loaded truck. Well, what have you to say in defense?"

Defendant: "I didn't know it was loaded."

—Harvard Lampoon

The Senate has passed a bill limiting freight trains to 70 cars, thereby considerably easing the work of those who count the cars at the crossings.

—Bangor (Me.) News

Nothing is sure about a national puzzle or slogan contest except that the winners will happen to be evenly distributed

over the country. —St. Louis STAR-TIMES

Not only is China's Great Wall worthless from a military standpoint, but its vast bill-posting possibilities have scarcely been scratched.

—Milwaukee JOURNAL

The H. O. L. C. has far from reached saturation point in its activities. Everywhere you go you see hundreds of persons evidently living in telephone booths.

—Washington Post

Mother: "Do you know what happens to little boys who tell lies?"

Johnny: "Yes, mother; they travel for half fare."

—New York Post

Occasionally you see a man driving a car so carefully that you conclude it must be paid for.

—WALL ST. JOURNAL

"Did you enjoy your vacation?"

"Yes, but there's nothing like the feel of a good desk under your feet!"

—C. S. MONITOR

"When you asked her to dance did she accept quickly?"

"Did she? Why, she was on my feet in an instant."

—Columbia JESTER



"NO, NO, OFFICER! I'LL TEACH YOU, NOT I'LL LEARN YOU!"

VON RIEGEN IN COLLIER'S